# Labour’s workers’ rights bill faces business opposition over job and price concerns



Labour’s proposed workers’ rights bill is facing increasing criticism from the business community as concerns grow over its potential impact on employment and prices. According to a recent poll by the British Retail Consortium (BRC), 52 per cent of retail human resources directors expect to reduce staff numbers as a result of the legislation. The same proportion anticipate higher prices, indicating fears that the bill could add further strain to already struggling businesses.

The bill, championed by Deputy Prime Minister Angela Rayner, aims to introduce new employment protections, including rights to guaranteed hours. However, many employers worry that these provisions will reduce flexibility in part-time roles, which are common across the retail sector. Helen Dickinson, chief executive of the BRC, warned that “unless amended, the bill will make it even harder to keep and create jobs and reduce the flexibility that defines many existing retail roles.”

The British Chambers of Commerce (BCC) has also expressed significant concerns, highlighting the need for parliamentary amendments to avoid unintended consequences that might limit both employment opportunities and economic growth. Jane Gratton, deputy director of policy at the BCC, described the legislation as bringing “a seismic shift in the rules governing the relationship between businesses and their staff,” drawing attention to planned changes around dismissal procedures, strike regulations, and zero-hours contracts as particularly problematic.

These developments come amid a broader economic backdrop that remains challenging for UK businesses. Separate data from the Confederation of British Industry (CBI) revealed that retail sales fell for a seventh consecutive month in the year to April, signalling ongoing weakness in consumer spending. CBI principal economist Martin Sartorius attributed this trend to “the impact of Autumn Budget measures, persistently weak consumer sentiment and global economic uncertainty,” forecasting that the downturn is expected to worsen in May.

Economic forecasters have also downgraded their outlook for the UK economy. The International Monetary Fund recently revised its growth projections downward, citing the combined pressures of increased taxation under the Labour government and international trade tensions. Following this, the EY Item Club also issued a downgrade and suggested that Chancellor Rachel Reeves might have to reconsider some of her fiscal plans in the forthcoming Autumn Budget.

Britain’s high streets, already under pressure from a £25 billion National Insurance rise and a sharp increase in the minimum wage implemented at the start of the month, are bracing for the additional regulatory burden brought by the workers’ rights bill. The BRC reported that 70 per cent of retail HR directors viewed the legislation as having a ‘negative or very negative impact’ on their operations.

As the bill reaches a critical stage in Parliament, calls for amendments from business groups underscore the tension between Labour’s policy objectives and the practical realities faced by employers in a fragile economic climate. The outcomes of these debates will likely have significant implications for employment patterns, business costs, and the overall trajectory of the UK’s retail sector.

Source: [Noah Wire Services](https://www.noahwire.com)

## Bibliography

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2. <https://www.lewissilkin.com/en/insights/2025/04/08/whats-in-the-employment-rights-bill-1> - This article discusses the significant reforms proposed by the Employment Rights Bill, including rights to guaranteed hours and sick pay, which may affect retail sector flexibility.
3. <https://www.gov.uk/government/news/employment-rights-bill-to-boost-productivity-for-british-workers-and-grow-the-economy> - This government news article highlights the Employment Rights Bill's aim to extend employment protections and boost productivity, contrasting with business concerns about job flexibility.
4. <https://researchbriefings.files.parliament.uk/documents/LLN-2025-0017/LLN-2025-0017.pdf> - This PDF provides detailed information about the Employment Rights Bill, covering reforms such as guaranteed hours for zero-hours workers, which is relevant to the concerns raised by the retail sector.
5. <https://www.tuc.org.uk/blogs/new-protections-workers-closer-employment-rights-bill-approved-mps> - This article from the Trades Union Congress supports the bill's protections for workers, such as rights against unfair dismissal and guaranteed hours, contrasting with business concerns.
6. <https://wwwolkata.org is not a valid reference, but for economic context, a similar concern may be sourced from a reputable economic forecasting site. As there is no specific URL for this in the search results, consider using an economic forecasting site like that of the International Monetary Fund or Confederation of British Industry for background on economic pressures.> -
7. <https://www.dailymail.co.uk/money/markets/article-14657055/Angela-Rayners-plans-workers-rights-force-firms-slash-jobs-prices-retail-bosses-warn.html?ns_mchannel=rss&ns_campaign=1490&ito=1490> - Please view link - unable to able to access data